

Travel Trade Development And Public Relations

Revised April, 2003

Situation Analysis

Coverage of the 2002 Games put Salt Lake City, Utah on the *global map*. The IOC reports that the Salt Lake 2002 broadcast was the most successful in Olympic Winter Games history – 2.1 billion viewers in 160 countries watched the Winter Olympics. Levels of television viewing were particularly high in the U.S., Canada, Germany and the Scandinavian countries. Extended news and feature coverage related to the Games meant a total of nearly 3 billion people around the world were exposed to media coverage of the 2002 Olympic Winter Games.

The Division needs to convert that higher global awareness into increased visitation to Utah in the years to come and position Salt Lake City as the gateway to exciting and varied destinations throughout the state.

Long-haul travel to the United States was down in 2002, after dropping dramatically in the wake of the September 11 terrorist attacks. Economic weakness in Europe and Japan also hindered visitation to the U.S. Forecasts in the fall of 2002 suggest long-haul travel will recover to 2000 levels by 2005-2006. However, war with Iraq, continuing economic slowdowns, SARS, terrorist attacks around the globe, and geo-political tensions will negatively impact those forecasts.

Target North America

In the post-Olympic period, the *largest and most immediate* potential for visitation to Utah comes from the United States -- particularly from the western half of the country. A Wirthlin Worldwide spring 2002 national survey indicated that more than seven million American adults are more likely to vacation in Utah as a result of watching the Winter Olympics. Other factors also contribute to potentially higher visitation from the U.S.:

- Many Americans are avoiding overseas travel – taking shorter, less-expensive trips closer to home;
- They're doing more driving and less flying;
- They're taking more last-minute getaways;
- They're enjoying America on Sale – taking advantage of special tourism deals available throughout the nation and here in Utah;
- They're rediscovering adventure in America's national parks and other public lands and creating family memories in safer destinations closer to home.

These trends and the Olympic boost benefited domestic leisure travel in Utah during 2002. In contrast, Hawaii, Florida and other states more dependent upon overseas visitors and those who arrive by air, had a difficult year for tourism.

North America is thus our top travel development market in FY 2003.

Canadians, like Americans, enthusiastically watched the Salt Lake Olympic Games. Canada is already the top international market to Utah and its stronger economy bodes well for future travel growth. Forecasts also indicate a faster rebound in travel from Canada and Mexico – reaching 2000 levels sometime in 2003.

International Markets

After conducting an extensive post-Olympic analysis to prioritize our travel trade and allied public relations markets, we identified three target tiers. Throughout the year, changing conditions in the tourism industry and in each of the countries may require adjustment in those tiers and/or in the strength and timing of programs in each nation.

- Joining the United States in the top tier for FY 2003 are Canada, Mexico, the UK, Germany and Japan.
- Budget permitting, France, Italy, Belgium and the Netherlands comprise the second tier; while
- Scandinavia represents an Olympic Follow-up Market with promising potential for travel development.

More intensive programs will take place in the top tier markets. Spot projects will be emphasized in second tier markets and in Olympic Follow-up markets, depending upon budget modifications due to state revenue shortfalls. Trade development efforts will focus on key industry leaders in the wake of recent/current travel industry consolidation, particularly in Europe. We will continue to closely monitor developments around the globe to fine-tune our travel development plan. *Because of its major disruption to long-haul travel, war with Iraq and other external factors will intensify our focus on North America.*

Features of the FY 2003 Plan

- **Timing is a crucial factor.** The emphasis on the United States, Canada and Mexico intensifies during 2002/2003. We will simultaneously lay the groundwork for our overseas plan and increase the intensity of that program as sentiment and situations improve for long-haul travel to the United States.
- **The Travel Development and allied Public Relations plan is designed to be flexible.** It can take advantage of shifts in public perceptions about

travel. It can react to changing economic conditions. And it can be adjusted quickly to target new opportunities or to change direction in particular markets when warranted.

- **Budgetary considerations mandate that we leverage resources with tourism, business development and other partners** when and where our respective goals intersect. The Travel Division will work with the Division of Business Development's (DBED) in-market representatives in select overseas countries and partner with a variety of Destination Marketing Organizations (DMO) from around the state and region for specific travel development projects.
- **The Division will develop new post-Olympic e-marketing and tourism collateral for use in target markets as part of the 1,000 Day Plan.**
- **The Division's plan is designed to work in conjunction with the Governor's 1,000-Day Plan.** The Division will participate in select trade missions on the Governor's itinerary to maximize synergies with business development strategy.

TOP TIER MARKETS

North American Plan

United States

Three-quarters of the U.S. population watched the broadcast of the 2002 Salt Lake Games. A post-Olympic survey by Wirthlin Worldwide shows that Utah is now more recognized for its scenic beauty, winter sports, ski resorts, cleanliness and friendly people.

That increase in imagery awareness coincides with a patriotic surge in the U.S. Americans will See America in 2002/2003. They'll rediscover adventure in America's national parks and other public lands. They'll create family memories in safe destinations closer to home. And they'll take advantage of special tourism deals available throughout the nation and here in Utah.

The Division's advertising program targets western states -- strong markets for travel to Utah. In FY 2003, the Division will use public relations and trade development to complement that advertising.

- Generate media coverage of Utah destinations in key western metropolitan centers: Los Angeles, San Francisco, San Diego, Portland, Seattle, Las Vegas, Phoenix, Denver, Dallas and Houston.

- Further develop media relationships established before and during the 2002 Olympic Winter Games with major national magazines and East Coast publications to ensure continuing coverage of Utah destinations.
- Collaborate with tourism partners – Ski Utah, the SLCVB and others -- on individual and group media familiarization tours to Utah destinations to enhance coverage and leverage resources.
- Develop attractive and effective e-mail outreach to travel media, directing them to our online newsroom at <http://travel.utah.gov>
- Expand the range of image and information resources on our online newsroom at <http://travel.utah.gov>
- Facilitate media coverage in Canada and Mexico, particularly in conjunction with trade shows, trade missions and sales calls.
- Investigate and pursue, budget permitting, innovative broadcast public relations projects that showcase Utah recreation and destinations to out-of-state audiences.
- Create a Trade Show Toolkit that tourism partners can use to include the Utah! Brand and imagery in their booth/display at various trade and consumer shows.
- In collaboration with tourism partners, attend and/or provide Utah collateral at major travel trade shows in North America.
- Participate in select components of Governor Leavitt's post-Olympic trade missions.
- Investigate opportunities to promote expanded VFR (visiting friends and relatives) travel during the post-Olympic period. Post 9/11, there is growing interest and participation in family reunions, weddings and other familial travel spanning generations.
- Investigate opportunities to promote post-Olympic corporate incentive travel in FY 2004 in anticipation of eventual economic recovery. High achievers in the corporate arena are a good match with the Olympic cachet Utah now enjoys and the varied adventure available here. Those high achievers can be influential in spreading the word about Utah when they return to work, in essence becoming ambassadors for the state.

Canada

Ninety-five percent of the Canadian population watched the Salt Lake Olympic Games on television. Canada already constitutes the top international market to Utah and, historically, has provided strong visitation to the American Southwest.

- Target Vancouver and Calgary/Edmonton in western Canada (direct flights to SLC) and approach eastern Canada through the direct flight market to Las Vegas.
- Represent Utah at select Addison travel trade shows in Vancouver, Edmonton and Calgary.
- Investigate the potential for working with tour operators and receptives in Quebec to reach French-speaking Canadians and inbound French travelers to North America (including the niche mountain biking market to Moab from Quebec).
- Use Vocus-based public relations outreach to target Canadian journalists we've worked with in the past, U.S.- based correspondents for Canadian media and major Canadian media outlets.

Mexico

Half of Mexico's population watched coverage of the 2002 Olympic Winter Games. That unexpectedly strong exposure for Utah mountain resorts, combined with direct flights to Salt Lake City on AeroMexico, make upper-income/wealthy residents of Mexico City a promising market. Skiers from Mexico have traditionally been the second-largest international market at Vail, Colorado and now, due to Olympic exposure, can be tempted to ski Utah instead.

- The Division will collaborate with tourism partners in the Mexico Marketing Coalition to promote Utah winter product to the travel trade and to upper-income consumers in Mexico City and other major metropolitan markets.
- The Division will contract with DBED's Mexico representative, Guadalupe M. de Escalante, for spot projects in key urban markets.
- Media outreach will target key publications and focus on reporters familiar with Utah mountain resorts.
- Marketing communications and trade development will include promotion of year-round activities at destinations throughout Utah.

Overseas Plan

Budgetary considerations mandate that the Division work with DBED's in-market representatives in select overseas countries and partner with a variety of Destination Marketing Organizations from around the state and region for specific travel development projects where and when our respective goals intersect. We will also participate in select overseas components of the Governor's post-Olympic trade missions.

United Kingdom

In 2001, the UK replaced Japan as the #1 market for overseas arrivals to the United States. Tourism from the UK was less affected by the 9/11 terror attacks and the British economy has remained relatively healthy during the recent global economic slowdown. Las Vegas is a major gateway city for travelers from the UK, providing growth potential for nearby southern Utah.

The UK also represents the largest source of overseas skiers to Utah. The Division will continue to partner with Ski Utah, the SLCVB, Deer Valley, Park City Mountain Resort, Snowbird and international partners in the UK market.

- The Division has contracted with Communications in Business (CIB) for in-country travel trade representation and media outreach in the UK market.
- The Division will participate at World Travel Market in London Nov. 11-14.
- The Division's public relations outreach targets UK journalists we've worked with before and during the 2002 Winter Games, U.S.- based correspondents for UK media and major UK media outlets.

German-Speaking Countries

While a sluggish economy and 9/11 have reduced travel to the U.S. from Germany, German-speaking nations remain major long-term markets for visitation to Utah. Germany and Austria were powerhouse competitors at the 2002 Olympic Winter Games and Germans watched more Games coverage than anyone else in Europe. Germans and Swiss are also drawn to the red rock country of southern Utah and have traditionally been an important source of visitation to the state's national parks.

- The Division will continue to collaborate with tourism partners on a spot-project basis in the German market.

- Major group and FIT tour operators have Utah product in their catalogues, but say they need help from DMOs to persuade German-speaking consumers to travel, particularly in the post 9/11 environment. The Division will partner with the SLCVB, Moab Area Travel Council, St. George Convention and Visitors Bureau and three neighboring states in a series of consumer shows throughout Germany.
- The Division has contracted with Get It Across Marketing (Albert Jennings) for in-country travel trade representation.
- Participate at ITB in Berlin, March 7-11.
- Public relations outreach targets German-speaking journalists we've worked with before and during the 2002 Olympic Winter Games and U.S.-based correspondents for major German, Swiss and Austrian media outlets.

Japan

Tourism from Japan to the United States dropped dramatically after the 9/11 attacks. Fourth quarter visitation in 2001 was down by 55%. Outbound travel from Japan to the United States is projected to begin recovering in 2003 and return to 2000 levels by 2005-2006.

Ninety-five percent of the Japanese television audience watched more than 18 hours of Olympic Winter Games coverage, despite a difficult time difference and poor team performances. There is post-Olympic interest in Salt Lake City and the Grand Circle.

Las Vegas is a major gateway city for the Japanese market and close to the national parks of southern Utah. Japanese tourists are increasingly looking for safe, close-to-nature destinations. So Utah is well positioned to benefit from the eventual recovery in inbound tourism from Japan.

The top seven Japanese tour wholesalers will promote nature tours to Utah's national parks in a campaign to boost visitation to the U.S. mainland in 2003.

- In late 2002, the Division conducted a mandatory review of Japanese market representation. As a result of the RFP, the Division contracted with Fieldstar International (Osamu Hoshino), continuing a tri-state approach to Japan (partnering with Arizona and Wyoming) that allowed Utah -- before, during and after the Olympics -- to leverage Division resources for in-market representation.

- Budget constraints require a reduced level of in-market representation in Japan, compared to years past. But we believe that it's important to retain a presence in this strongly relationship-based market for eventual recovery of U.S. tourism from Japan.
- Conduct PR outreach through in-market representative, with direction/support from the Division.
- Represent Utah at select travel trade shows and trade missions in Japan and in the U.S.

SECOND TIER MARKETS

Travelers from France, Belgium, the Netherlands and Italy predominantly come to Utah to experience our national parks and red rock landscapes. All of these second tier markets were significant competitors during the 2002 Olympic Winter Games and generated extensive media coverage of Salt Lake City. That coverage also focused prominently on southern Utah, the primary draw for visitors from these nations.

The Division will look for opportunities to collaborate with DBED's International Trade Development Office to leverage resources in these second-tier markets. Spot projects would include participation in select components of the Governor's Trade Missions and potential sales calls to major tourism contacts.

OLYMPIC FOLLOW-UP MARKETS

Scandinavian countries are strong on winter sports and were powerful competitors during the 2002 Olympic Winter Games. As such, their residents saw extensive coverage of Salt Lake City, Utah. Scandinavians watched more Winter Olympic coverage than any other part of the globe.

Scandinavia

Scandinavians are tech-savvy, with one of the highest Internet usage rates in the world – providing strong potential for e-marketing of Utah tourism. They also receive generous amounts of vacation time and the Olympic-induced awareness of Salt Lake City could be used to generate interest in visiting other parts of the state that offer recreation and landscapes they cannot find at home or elsewhere in Europe.

The Scandinavian market has a smaller population than France, Italy or the UK. But Scandinavia boasts a relatively large percentage of U.S. travelers who make

repeat visits to this country. That repeat visitation market could bode well for Utah in the post-Olympic period.

- The Division will utilize Gold Key service to open tourism-related doors in those Scandinavian countries that had strong participation in the Winter Olympics and that indicate interest in travel to Utah.
- We will focus initial activities on Sweden and Copenhagen -- the gateway to international travel from Scandinavia and headquarters for the airline SAS. We will also investigate opportunities to partner with other tourism entities in Utah on spot projects in Scandinavian countries.